



State of New Jersey

DEPARTMENT OF EDUCATION
PO Box 500
TRENTON, NJ 08625-0500

JAMES E. MCGREEVEY
Governor

WILLIAM L. LIBRERA
Commissioner

May 2, 2003

TO: Chief School Administrators
School Business Administrators/Board Secretaries

FROM: Richard Rosenberg
Assistant Commissioner

SUBJECT: Application to Borrow Due to Delay in June State School Aid Payment

Attached is the application to request Department approval to enter into short-term financing from the bank of your choice, if needed, due to the delay in the June state school aid payment.

As outlined in the attached information, the completed application and supporting documentation must be submitted to your County Superintendent by May 16, 2003.

The County Superintendent can approve loans up to the amount of the delayed June state school aid payment. The payoff of the approved loan will be made directly by the state to the district's bank of choice from the district's state aid payment. The state will also pay the interest cost approved by the department directly to the bank for applications that include a letter with a predetermined interest rate ("predetermination letter") from the lending bank.

Decisions on applications received by May 16 will be made by the County Superintendent no later than June 2, 2003. When the loan is approved by the department, districts should work with their chosen bank to borrow up to the approved amount. A copy of the signed Promissory Note must be received by the Division of Finance, Office of School Funding, no later than June 18, 2003 to ensure timely payment and reimbursement to the lending bank.

Attachments

RR:KA:Y:\5-2memo.doc

cc: Dwight Pfennig
Albert Monillas
Gordon MacInnes
Michael Rush
Judith Weiss
Katie Attwood
Glen Forney
Yut'se Thomas
County Superintendents
County School Business Administrators
Regional Fiscal Staff
Budget Managers